


Government of the District of Columbia
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: JUL -9 2007

SUBJECT: Fiscal Impact Statement: "Disposition of the Skyland Shopping Center Site Approval Act of 2007"

REFERENCE: Draft – Bill Number Not Available

Conclusion

Funds are sufficient in the proposed FY 2008 through 2011 budget and financial plan to implement the provisions of the proposed act.

Background

The proposed act approves an Exclusive Rights Agreement (ERA) for the Skyland property to Skyland Holdings, LLC. The ERA does not have a fiscal impact; however, the OCFO has the following concerns regarding the legislation:

- The Exclusive Rights Agreement was not ratified by the RLARC board of directors, as required.
- The transmittal letter sent from RLARC CEO Therman Baker to Chairman Gray on July 3, 2007 states the District will get a Class A retail center. There is no discussion of the expected affordable housing component of the development.
- The CFO has not been made aware of any independent analysis regarding the proposed TIF financing for the project, passed by Council as the "Skyland Project Retail Priority Area Approval Resolution of 2007" which justifies financing the project under the forthcoming Land Disposition Agreement.

The proposed legislation also requires that the Mayor submit a Land Disposition Agreement (LDA) to Council. Depending on the terms of the Land Disposition Agreement, the \$30 million

of CDBG funds already expended by RLARC may have to be repaid. The fiscal impact of the LDA, if any, will be determined upon its submission to Council.

Financial Plan Impact

Funds are sufficient in the proposed FY2008 - 2011 budget and financial plan to implement the legislation. A fiscal impact statement on the negotiated Land Disposition Agreement will be issued when it is submitted to Council.